

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO AMENDING THE CHARTER OF THE HARRISVILLE FIRE DISTRICT
AND ESTABLISHING THE CLEAR RIVER ELECTRIC AND WATER DISTRICT

Introduced By: Senator Jessica de la Cruz

Date Introduced: April 16, 2024

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 637 of the Public Laws of 1910 entitled "An Act to Incorporate the
2 Harrisville Fire District" as amended, is hereby further amended to read as follows:

3 The Charter of the Harrisville Fire District

4 Section (a) Establishment.

5 A. Incorporation. Within the boundaries described below, there is hereby established a
6 district incorporated as a quasi-municipal corporation under the name of the Harrisville Fire District
7 ("District").

8 B. Purposes. The district is incorporated for the purposes of providing fire suppression, ~~and~~
9 emergency medical, rescue and ambulance services, and furnishing and distributing ~~water,~~ light,
10 and power for the limited purpose of powering and maintaining streetlights, throughout the district
11 and beyond the same both within and without the district and the town of Burrillville as provided
12 herein, and for such other purposes as may be deemed necessary, appropriate, or incidental to the
13 foregoing.

14 C. Powers. The district may have a common seal, sue and be sued, and enjoy the other
15 powers generally incident to the quasi-municipal corporation, including the following:

16 1. To provide fire suppression, emergency medical, rescue and ambulance services within
17 or without the territorial limits of the district or the town of Burrillville.

18 2. ~~To procure, distribute, and sell water within or without the territorial limits of the district~~

1 ~~or the town of Burrillville.~~

2 3. ~~Subject to the approval of the public utilities commission and to all applicable provisions~~
3 ~~of title 39 of the general laws and any regulation duly promulgated there under, to procure,~~
4 ~~distribute, and sell light and power within the territorial limits of the district.~~

5 4. To obtain, own, establish, operate, maintain, repair, improve, enlarge, and/or extend any
6 ~~pipe, conduit,~~ fire apparatus, building, facilities, or property of any kind in order to carry out the
7 purposes of the district.

8 5. To acquire, hold, use, lease, sell, transfer and/or dispose of any property, real, personal
9 or mixed, or any interest therein for its corporate purposes, and to mortgage, pledge, or lease any
10 such property.

11 6. To make by-laws for the management and regulation of its affairs.

12 7. To borrow money for any of its corporate purposes, including the creation and
13 maintenance of working capital, and to issue negotiable bonds, notes, or other obligations and to
14 fund or refund the same.

15 8. To contract in its own name for any lawful purpose deemed necessary to carry out the
16 purposes of the district.

17 9. To execute all instruments necessary to carry out the purposes of the district.

18 10. To enter into cooperative agreements with states, cities, counties, towns, water, or fire
19 districts within or without the district for the interconnection of facilities and mutual aid or for any
20 other lawful corporate purposes necessary or desirable to carry out the purposes of the district.

21 11. To fix rates and collect charges for the use or expansion of the facilities of or services
22 rendered by or for any ~~water, commodities, or other utilities~~ services furnished by the district
23 pursuant to this law, such as to provide revenues sufficient at all times to pay, as the same shall
24 become due, the principal and interest on the bonds of the district, together with the maintenance
25 of proper reserves therefor, in addition to paying, as the same shall become due, all operating
26 expenses of the district together with proper reserves for depreciation, maintenance, expansion, and
27 contingencies and all other obligations and indebtedness of the district.

28 12. To levy and collect taxes on the taxable inhabitants of the district to carry out the
29 purposes of the district in the manner provided in this charter.

30 13. To exercise the power of eminent domain in the same manner prescribed pursuant to
31 ~~R.I.G.L. section 39-15-1, et seq., or~~ R.I.G.L. section 24-1-1, et seq., in order to acquire property
32 for the purposes of the district.

33 14. To do all things necessary or convenient in order to carry out any and all express or
34 implied purposes and powers of the district granted under this charter.

1 D. Boundaries. The district shall have the boundaries as set forth below and as the same
2 may be amended from time to time:

3 All that part of the town of Burrillville starting at a southerly point of the Burrillville and
4 Gloucester town line on Route 102, northwest to the intersection of Lapham Farm Road and Steere
5 Farm Road; northeast from said point to the northwest corner of 315 Central Street, then northerly
6 to a point one hundred eighty (180) feet west of the intersection of Whipple Avenue and East
7 Avenue; commencing north approximately 835 feet then turning in an east southeasterly direction
8 to the intersection of Spring Lake Road, Joslin Road and Branch River; following the Branch River
9 in a northeasterly direction to the Nasonville Fire District line; then turning in a northwesterly
10 direction along the Nasonville Fire District to the southeast corner of Lot 1, Map 8; turn westerly
11 263.48 feet along the southern boundary of Lot 1, Map 8; then northerly 332.62 feet; then westerly
12 1,119.17 feet along said lot 1, Map 8 and along the southerly boundary of Lot 3 Map 7; then north
13 83.80 feet to the Massachusetts state line, said point being the northwest corner of the Nasonville
14 Fire District boundary, and following said line due west to a point three hundred (300) feet beyond
15 Round Top Road; due southeast to the corner of Hill Road and Centennial Street; bordering the
16 Pascoag Fire District line, southerly through the intersection of Union Avenue and Oak Street to a
17 point nine hundred twenty-three (923) feet west of Memorial Bridge on Main Street, Pascoag; due
18 southeast from this point to the intersection of Mowry Street and Lapham Farm Road, continue
19 southeast along the Pascoag Fire District line to the Gloucester town line; due east on said line to the
20 point of beginning, as recorded at the Harrisville Fire District office.

21 (b) Management and Officers

22 A. Operating Committee -- Establishment.

23 1. Except as otherwise provided herein, all the powers of the district shall be vested in and
24 exercised by an operating committee elected by the electors of the district and consisting of seven
25 (7) members who shall be residents and electors of the district and chosen as follows: at the first
26 annual meeting following the passage of this charter, two (2) members shall be elected for one (1)
27 year, two (2) members for two (2) years, and three (3) members for three (3) years; and, thereafter,
28 as the terms of the members expire, there shall be elected two (2) or three (3) members as the case
29 may be.

30 2. Any vacancy that may occur in the operating committee shall be filled by a majority vote
31 of that committee, and the person so elected shall serve until the next annual or special meeting of
32 the district, at which time an election shall be held to fill the remainder of the unexpired term of the
33 departed member.

34 B. Powers of the Operating Committee. The operating committee shall be responsible for

1 the overall management of the district. It shall have charge and control of all property of the district
2 and shall have full authority to exercise all the powers and functions necessary to carry out the
3 purposes of the district. The operating committee's responsibilities shall include the following:

4 1. To make a full and complete report at each annual meeting of the district of the
5 operations of the district and such other events and transactions as it may deem necessary and
6 appropriate.

7 2. To prepare and submit a proposed budget and tax levy for all operations of the district
8 ~~other than the water department~~ for approval by the electors of the district at the annual meeting.

9 3. ~~To prepare and submit a proposed budget and anticipated revenues of the water~~
10 ~~department for approval by the electors of the district at the annual meeting.~~

11 4. To insert new items or increase any items in the budgets of the district whenever the
12 same may be deemed necessary or convenient, provided no budget may be exceeded by more than
13 2.5% without prior approval of the district at a special meeting.

14 5. To have control of all fire apparatus belonging to the district except when under the
15 control of the fire chief as provided herein.

16 6. To appoint a fire chief, ~~superintendent of the water department~~, collector of taxes, and
17 such other officers and employees as it shall deem necessary to conduct the business of the district,
18 which said appointees, officers and employees shall act under the direction and control of the
19 operating committee, and to fix their salaries.

20 7. To employ a certified public accountant to annually audit all accounts of the district.

21 8. To act as a board of abatement with power to abate any district taxes, upon
22 recommendation of the district board of assessors established herein and in accordance with
23 applicable law.

24 9. To act as the board of canvassers for the district and prepare the voting list to be used at
25 any annual or special meeting of the district.

26 10. To make appointments to fill any vacancies on the operating committee or district
27 offices until the next annual or special meeting of the district.

28 C. Officers.

29 1. The officers of the district shall include a moderator, clerk, and three (3) assessors, who
30 shall comprise the district board of assessors. The duties and powers of said officers shall be such
31 as other officers of towns in this state. All officers must be residents and electors of the district.

32 2. The assessors shall be elected as follows: at the first annual meeting following the
33 passage of this charter, one (1) assessor shall be elected for one (1) year, one (1) assessor shall be
34 elected for two (2) years and one (1) assessor shall be elected for three (3) years; and thereafter, as

1 the terms of the assessors expire, one (1) assessor shall be elected each year for a term of three (3)
2 years.

3 3. Unless otherwise provided in the by-laws of the district, all other officers shall be elected
4 at the annual meeting of the district to hold office for a term of one (1) year or until a successor is
5 elected and qualified. Vacancies occurring in any office may be filled for the unexpired term by
6 the operating committee.

7 4. The chairperson shall oversee the day-to-day operation of the district personnel and shall
8 make any determinations necessary to maintain satisfactory operation, should a situation that
9 requires immediate attention to avoid interruptions to the district occur.

10 (c) Electors and Meetings

11 A. Electors. The inhabitants of the district qualified and registered to vote for elected
12 offices in the town of Burrillville shall be the electors of the district and shall be eligible to vote
13 and act at any annual or special meeting of the district.

14 B. Annual Meeting. The annual meeting of the district shall be held on the second Tuesday
15 of August in each year.

16 C. Notice. All meetings, whether annual or special, shall be held at some suitable place
17 within the territorial limits of the district. All such meetings shall be publicized by posting notices
18 thereof in at least five (5) public places in the district, not less than one week prior to the date on
19 which such meeting is called. Notice shall also be published not less than one week prior to the
20 meeting in a public newspaper which is published daily and has a circulation within the town of
21 Burrillville. It shall be the duty of the clerk or the moderator to call a special meeting upon written
22 application signed by twelve (12) electors of the district or upon the order of the operating
23 committee. Whenever the subject of ordering a tax or an amendment to this charter is to be acted
24 upon, the same shall be so stated in the notice; provided, that notice of an annual meeting need not
25 mention that a tax levy is to be acted upon.

26 D. Voting List. The voting list ~~tee~~ to be used at any annual or special meeting shall be
27 canvassed by the operating committee not more than forty-five (45) nor less than five (5) days
28 before the date of any such meeting. In preparing the district voting list, the operating committee,
29 sitting as the board of canvassers, shall canvas and correct the district voting list in the same
30 manner, or as near as may be, as provided by law for boards of canvassers of towns in this state;
31 provided, nevertheless, that it may rely upon the most recent registered voting list of the district as
32 compiled and maintained by the town of Burrillville.

33 E. Quorum. Ten (10) electors shall be deemed to constitute a quorum for any meeting.

34 F. Procedure

1 1. Upon the demand of at least one-fifth of the electors present at any district meeting, any
2 pending motion, resolution, or matter, other than a motion to adjourn or to amend a pending motion,
3 resolution, or matter, shall be called for a vote by the moderator.

4 2. The clerk shall keep and maintain minutes of any meeting of the district, which shall
5 include the results of any votes taken. The minutes shall be read and approved by a vote taken at
6 the next annual or special meeting of the district.

7 3. Except as otherwise provided in the by-laws of the district, a majority of electors present
8 and voting at any meeting of the district shall be necessary to approve any motion, resolution, or
9 matter called to vote.

10 4. In the event that any elector shall desire to present any motion, resolution, or matter at
11 an annual meeting of the district that would require the appropriation of money, said elector shall
12 first present said motion, resolution, or matter to the operating committee at the advertised public
13 meeting of the operating committee scheduled immediately before the date of the annual meeting
14 of the district. In the event that said motion, resolution, or matter is rejected by the operating
15 committee, the elector may then present the same motion, resolution, or matter at the annual
16 meeting under new business, provided said elector files in writing a copy of said motion, resolution,
17 or matter with the operating committee at least ninety six (96) hours prior to the annual meeting.
18 In the event any motion, resolution, or matter is proposed at an annual meeting without first
19 complying with the aforesaid prerequisites, said motion, resolution, or matter shall be ruled out of
20 order.

21 5. The district may enact such by-laws as it deems necessary and appropriate for the
22 regulation and conduct of its meetings as provided herein.

23 (d) Taxation

24 A. Authorization.

25 1. At any meeting of the district, the electors of the district shall have the power to order
26 such taxes and provide for assessing and collecting the same on the ratable real estate and tangible
27 personal property in the district, including an excise tax on motor vehicles in accordance with
28 R.I.G.L. section 44-34-1, et seq., and as the same may be amended from time to time, as they shall
29 deem necessary to carry out the purposes of the district as provided herein. At any such meeting,
30 the electors shall also be empowered to authorize the board of assessors to impose a minimum tax
31 of not less than \$25.00 to be applied to any ratable real estate and tangible personal property, the
32 assessment for which would be less than the minimum tax at the uniform assessed rate.

33 2. Such taxes so ordered shall be assessed by the board of assessors of the district on the
34 taxable inhabitants thereof and the property therein according to the last valuation made by the

1 assessors of the town of Burrillville, adding however, any tax from property which may have been
2 omitted by said town assessors or afterwards acquired, and in all cases where the town assessors
3 have included property within and without the district in one valuation, the assessors of the district
4 shall make an equitable valuation of that portion of said property lying within the district.

5 3. The operating committee, or those appointed by the operating committee are also
6 empowered to enter into binding agreements with adjacent ~~water or~~ fire districts relative to the
7 reasonable and equitable apportionment of taxes assessed on properties located along their shared
8 boundaries.

9 4. In assessing and collecting said taxes, the officers of the district shall conduct such
10 proceedings and follow such procedures as the law requires be followed by the corresponding
11 officers of towns in assessing and collecting town taxes, to the extent practicable.

12 5. The district may provide for such deduction from any tax assessed if paid by an
13 appointed time, or for such penalty by way of percentage of the tax if not paid at the appointed
14 time, not exceeding eighteen percent (18%) per annum, as it may deem necessary to insure punctual
15 payment. The district may also include liens and/or legal fees required to collect said payments.

16 B. Assessment.

17 1. The district operating committee shall annually levy and assess a tax at such a rate so
18 as to provide revenue sufficient to pay all operating expenses together with any other items set forth
19 in the budget for the current year, on all property within the limits of the district, or belonging to
20 the residents thereof, which is liable to taxation under this charter, said levy and assessment to be
21 made by the operating committee on or before August 15th in each year. The operating committee,
22 upon completing the assessment for the year, shall date and sign the same.

23 2. The tax assessed shall be due and payable on or before October 1st in each year and all
24 taxes remaining unpaid on October 31st in each year shall thereafter bear interest at a rate
25 established by the operating committee.

26 3. The tax rate shall be based on the assessment of real and personal property of the taxable
27 inhabitants of the district as compiled and maintained by the town of Burrillville and described in
28 the tax rolls, except as otherwise provided herein. Exemptions as described in the town tax rolls
29 shall be honored, but the amount in each category is to be determined by the operating committee.

30 C. Collection.

31 1. The collector of taxes, shall give his or her bond with corporate surety in an amount and
32 form satisfactory to the operating committee, the premiums for which shall be paid by the district.

33 2. Upon the commitment to him or her of the assessment, the collector shall collect all taxes
34 levied and assessed, said taxes to be payable on or before such time as provided herein or as the

1 district may determine. The collector of taxes shall proceed on behalf of the district in accordance
2 with applicable law to collect all taxes assessed and unpaid as of October 1st of each year. The
3 collector of taxes shall close his or her books on the last day of September in each year.

4 3. The collector shall thereafter prepare and submit at the annual meeting, or at a special
5 meeting if called upon to do so by a vote of the district, an annual report, audited by a certified
6 public accountant and confirmed and approved by the operating committee, describing the
7 condition of the district finances and the receipts and expenditures for the fiscal year preceding the
8 meeting.

9 4. The collector of taxes for the district shall have the same powers and authority as are
10 conferred by law on collectors of taxes in the towns of this state.

11 D. Imposition of fees in lieu of taxes.

12 1. The operating committee shall have the power to determine an amount of taxes or fees
13 to be imposed in lieu of taxes to be paid each year on account of the real or personal property used
14 in connection with any facility for the generation of electricity located in the district,
15 notwithstanding the valuation of such property or the rate of tax. Such determination shall be for a
16 period not to exceed twenty-five (25) years. Any fees payable hereunder shall constitute a lien on
17 the property and shall bear interest and be otherwise collectible as may be provided in any contract
18 or agreement.

19 2. The operating committee shall be vested with the power and authority to enter into any
20 contract or agreement regarding the amount of taxes or fees to be imposed in lieu of taxes upon any
21 facility for the generation of electricity located in the district. Such contract or agreement may
22 contain such terms and conditions as the operating committee, in its sole discretion, shall deem
23 necessary and appropriate, including, but not limited to, a provision indemnifying the owner or
24 lessors of such real or personal property used in connection with any facility for the generation of
25 electricity from third parties claiming payments for any reason, including the provision of fire
26 suppression and emergency medical and ambulance services or such other services as the district
27 may provide.

28 3. All prior agreements between the district and the owner or lessors of such real or personal
29 property used in connection with any facility for the generation of electricity or actions taken in
30 connection therewith are hereby ratified in all respects.

31 ~~E.~~(e) Fire Department

32 A. Fire department -- Establishments. The district shall have the power to establish, in such
33 form of entity as it may deem appropriate, a fire department for the purposes of providing fire
34 suppression, ~~and~~ emergency medical, rescue and ambulance services as provided in this charter.

1 The operating committee may appoint and employ as many persons, including officers, and make
2 any and all provisions or by-laws for the purpose of organizing, establishing, and operating the fire
3 department as it may deem necessary and appropriate.

4 B. Fire Chief.

5 1. The chief of the fire department shall be appointed for a term of three (3) years by and
6 under the direction and control of the operating committee. The chief shall be responsible for
7 supervising the day to day affairs and operation of the fire department.

8 2. The fire chief shall be in sole command of fire department personnel, apparatus, and
9 equipment from the time they leave the fire station and until they return, and only the chief shall
10 direct orders to the officers and personnel of the fire department when so deployed. If, due to illness,
11 absence or for any other cause, the chief is unable to act, the senior officer of the department shall
12 assume all the duties of the chief.

13 3. The operating committee shall consult with the chief with respect to the purchase of fire
14 apparatus or major equipment purchases.

15 4. ~~The superintendent of the water department shall notify the chief of any condition or~~
16 ~~situation that would endanger property within the district in the event of fire or other emergency.~~

17 C. Emergency powers. At any fire or emergency, the chief, or in his or her absence, the
18 senior officer, shall have the power to take any and all action deemed necessary and appropriate to
19 stop the progress of any fire, to suppress all disturbances and maintain order, to order any or all
20 persons to leave the vicinity of any fire, and to command from the inhabitants of the district all
21 necessary assistance in suppressing the fire and preserving and protecting life and property, and
22 any person violating such an order may be prosecuted and subject to the same penalties as provided
23 in section (g) B. below.

24 ~~F.(f) Water Department~~

25 ~~A. Water department Establishment. The district shall have the power to establish, in~~
26 ~~such form of entity as it may deem appropriate, a water department for the purpose of procuring,~~
27 ~~distributing, and selling water as provided in this charter. The operating committee may appoint~~
28 ~~and employ as many persons including officers, and make any and all provisions or by laws for the~~
29 ~~purpose of organizing, establishing, and operating the water department as it may deem necessary~~
30 ~~and appropriate.~~

31 ~~B. Superintendent. The superintendent of the water department shall be appointed by and~~
32 ~~under the direction and control of the operating committee. The superintendent shall be responsible~~
33 ~~for supervising the day to day affairs and operation of the water department.~~

34 ~~C. District water board.~~

1 ~~1. The operating committee shall serve as the district water board and be responsible for~~
2 ~~overall management and control of the water department.~~

3 ~~D. Non-discrimination in rates. The price charged to outside customers, per unit of water,~~
4 ~~shall not be greater than the price charged to district customers for the same unit of water.~~

5 ~~E. Exclusive right to distribute. The district shall have the exclusive right to distribute and~~
6 ~~charge a fee for any water or water supply it procures or obtains.~~

7 ~~F. Water charges as lien. The owner of any house, building, tenement, or estate shall be~~
8 ~~liable for the payment of the price or rent or rates fixed by the district for the use of water furnished~~
9 ~~by the district to the owner or occupant of the house, building, tenement, or estate; and the price,~~
10 ~~rent, or rates shall be a lien upon the house, building, tenement, or estate in the same way and~~
11 ~~manner as taxes assessed on real estate are liens, and, if not paid as required by the district, shall~~
12 ~~be collected in the same manner that taxes assessed on real estate are by law collected; provided,~~
13 ~~however, that the district may charge interest on delinquent payments at a rate of not more than~~
14 ~~eighteen percent (18%) per annum, all in accordance with R.I.G.L. section 39-15-12.~~

15 ~~G.~~(g) By-laws

16 A. General. The district may enact any and all by-laws deemed necessary and appropriate
17 to carry out its purposes as provided in this charter; provided, that no greater penalty may be
18 imposed than is prescribed in section (g) B. below, and that the same not be in violation of or
19 repugnant to this charter or any laws of this state.

20 B. Emergencies. The district shall have the power to enact by-laws prescribing the duties
21 of the inhabitants of the district during a fire or other emergency and for the purpose of enforcing
22 the commands of fire department officers with respect to suppressing disorder, guarding or
23 removing property, or rendering other services in time of fire, and also for the protection of ~~water~~
24 ~~pipes, hydrants, safety valves, water gates or other~~ apparatus or property of the district, and for any
25 breach of such by-laws may provide a penalty not exceeding a fine of one thousand dollars (\$1,000)
26 to be recovered for the use of the district, or imprisonment for a term not exceeding thirty (30) days,
27 which said penalties may be enforced by prosecution on complaint of any officer of said fire
28 department before any court of competent jurisdiction. Any such prosecution must first be
29 authorized and approved by the operating committee.

30 ~~(H)~~(h) Bonds and other obligations.

31 A. Power to issue bonds and other instruments of indebtedness. The district shall have the
32 power and authority to issue bonds and any other instruments of indebtedness and to secure the
33 payment of the same in any manner and subject to such terms and conditions as may be deemed
34 necessary and appropriate and set forth in the resolution authorizing said bonds or other instruments

1 of indebtedness. The operating committee shall authorize the issuance of any bonds or other
2 instruments of indebtedness in a resolution, which shall thereafter be approved by the electors of
3 the district at any annual or special meeting. Any bonds or other instruments of indebtedness shall
4 be signed by the clerk or any member of the operating committee designated in the resolution
5 authorizing the same and shall bear the seal of the district or a facsimile thereof.

6 B. Limitation on alteration of powers of the district. The state does hereby pledge to and
7 agree with the holders of the bonds and other instruments of indebtedness of the district that the
8 state shall not limit or alter rights hereby vested in the district until the bonds or other instruments
9 of indebtedness, together with interest thereon, and all costs and expenses in connection with any
10 actions or proceedings by or on behalf of the holders thereof, are fully met and discharged or
11 otherwise provided for.

12 ~~(i)~~(i) Eminent Domain.

13 A. Authorization to take private property. In order to carry out the purposes of this charter,
14 the district shall have and enjoy all the authority and power conferred by the provisions ~~of R.I.G.L.~~
15 ~~Section 39-15-1, et seq., entitled "Water Supply," as the same may be amended from time to time;~~
16 ~~or, in the alternative, the district may elect to utilize the~~ and procedures for condemnation set forth
17 in R.I.G.L. Section 24-1-1, et seq., entitled "Laying Out and Taking by Cities and Towns," as the
18 same may be amended from time to time. When utilizing the condemnation procedures pursuant to
19 ~~either of~~ the foregoing provisions, the district shall have all the authority and power of and be
20 subject to all the duties and liabilities imposed upon electors of towns, towns, or town councils by
21 said provisions.

22 B. ~~Installation and maintenance of pipes and other apparatus. The district may, within and~~
23 ~~without the district and the town of Burrillville and also without the consent of the town, install,~~
24 ~~make, construct, and maintain pipes, aqueducts, conduits, machinery, or other equipment or~~
25 ~~appliances, or authorize the same to be done, and regulate the used thereof to the extent deemed~~
26 ~~necessary or appropriate to carry out the purposes of the district. The power conferred upon the~~
27 ~~district by this provision shall include the authority to carry any works to be constructed over or~~
28 ~~enter upon and excavate under any highway, turnpike, railroad, street, or other public way for the~~
29 ~~purpose of locating, laying, constructing, building, installing, operating, maintaining, altering,~~
30 ~~repairing or replacing any pipes, appliances or other such apparatus, upon or beneath the surface,~~
31 ~~in such a manner so as not to permanently obstruct free travel thereon. In exercising the power~~
32 ~~granted under this provision, the district shall, except in emergencies, provide advance notice to~~
33 ~~and otherwise cooperate and coordinate with the town to ensure that any such installation or~~
34 ~~excavation shall be carried out with reasonable dispatch and with as little interference with and~~

1 ~~inconvenience to the rights of the public as may be feasible. The district shall restore any highway,~~
2 ~~turnpike, railroad, street, or other public way as near as may be possible to its original condition of~~
3 ~~safety and utility after any such installation or excavation.~~

4 ~~(j)~~(j) Miscellaneous.

5 A. Tax exemption. It is hereby declared that the district and the carrying out of its corporate
6 purposes are in all respects for the benefit of the people of the state, and for the improvement of
7 their health, safety, welfare, and prosperity, and that the district will be performing essential
8 governmental functions in the exercise of the powers conferred by this charter. Accordingly, the
9 district shall be required to pay no taxes or assessments or sums in lieu of taxes to the state or any
10 political subdivision thereof upon any of the property acquired by it or under its jurisdiction,
11 control, possession, or supervision or upon its activities or operations or upon any earnings,
12 revenues, moneys, or other income derived by the district, and that the bonds issued by the district
13 and any income therefrom shall at all times be exempt from taxation.

14 B. Costs of collection. In addition to any other sums to which it may be entitled in
15 accordance with this charter and applicable law, in any action or proceeding to collect taxes
16 assessed or fees imposed in accordance with this charter, the district shall be entitled to also collect
17 the reasonable costs of collection, including attorneys fees.

18 C. Public customers -- Non-discrimination. The district shall charge any city, county, town,
19 or water or fire district for the use of any facility of or services rendered by or any ~~water,~~
20 commodities, or other utilities furnished to it by the district at rates applicable to other consumers
21 of such utilities or services.

22 D. Not public utility. Notwithstanding the definition set forth in R.I.G.L. Section 39-1-
23 2(20), and as the same may be amended from time to time, the district shall not be considered a
24 "public utility" otherwise subject to regulation in accordance with applicable law, as long as the
25 price charged to outside customers per unit of ~~water,~~ light, or power limited to streetlights is not
26 greater than the ~~priced~~ price charged to district customers for the same unit of ~~water,~~ light, or power
27 limited to streetlights.

28 E. Open meetings law. The district shall comply with the state Open Meetings Law,
29 R.I.G.L. Section 42-46-1, et seq., and as the same may be amended from time to time.

30 F. Access to public records. The district shall comply with the state Access to Public
31 Records Act, R.I.G.L. Section 38-2-1, et seq., and as the same may be amended from time to time.

32 G. Award of contracts. The district shall comply with the state Award of Municipal
33 Contracts Act, R.I.G.L. Section 45-55-1, et seq., and as the same may be amended from time to
34 time.

1 H. Continuation of district. Any act, resolution, contract, employment, and/or any other
2 obligation, matter, or thing undertaken by the district in accordance with its charter as originally
3 granted, and as the same has been amended from time to time, shall be deemed to be continued and
4 in full force and effect under the terms of the charter as amended and granted herein.

5 I. Amendment. This charter may be amended by a majority of electors present and voting
6 at any annual or special meeting of the district, provided noticed thereof states that amendment to
7 the charter shall be considered at such meeting. An amendment to the charter shall be effective only
8 upon passage of an act by the general assembly amending the charter in conformity with such prior
9 vote of the district.

10 SECTION 2. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
11 amended by adding thereto the following chapter:

12 CHAPTER 39.2

13 CLEAR RIVER ELECTRIC AND WATER DISTRICT

14 **45-39.2-1. Short title.**

15 This act shall be known and may be cited as the "Clear River Electric and Water District
16 Act of 2024."

17 **45-39.2-2. Definitions.**

18 Terms used in this chapter shall be construed as follows, unless another meaning is
19 expressed or is clearly apparent from the language or context:

20 (1) "Electric and water district" means the Clear River electric and water district, a quasi-
21 municipal corporation, district and political subdivision of the state established and empowered by
22 this chapter to:

23 (i) Succeed to and fulfill the electric and water utility functions, powers, rights, property
24 and obligations heretofore held and fulfilled by the Pascoag utility district and Harrisville fire
25 district water department as defined above and not to include the fire protection, suppression and
26 prevention functions or the emergency medical, rescue and ambulance services of the Harrisville
27 fire district.

28 (ii) Exercise certain additional powers as a water supplier, an electric distribution company
29 and as a nonregulated power producer; and

30 (iii) To provide additional utility services not inconsistent with the duties, powers and
31 obligations of the electric and water district as defined in this section.

32 (2) "Fire district" means the Harrisville fire district created by the act passed as chapter
33 637 of the Public Laws of 1910, entitled "An Act to Incorporate the Harrisville fire district" as
34 thereafter amended and supplemented from time to time.

1 (3) "Fire protection assets" means that real property, facilities, equipment, statutory rights
2 and privileges, and other tangible or intangible property of any kind whatever used in, or useful to,
3 the conduct of the fire protection, suppression and prevention operations and/or the emergency
4 medical, rescue and ambulance services conducted prior to, on and after January 1, 2025, by the
5 fire district.

6 (4) "Pascoag utility district" means that quasi-municipal corporation, district and political
7 subdivision of the state established by and through Pub. L. 2001, ch. 12, § 1, effective April 4,
8 2001, to have and succeed to the utility powers and functions held and exercised prior to that date
9 by the Pascoag Fire District, as established under the act passed at the May session 1887, entitled
10 "An Act to Incorporate the Pascoag Fire District" as thereafter amended and supplemented from
11 time to time, and further having such additional powers, rights, and functions as set forth in title 45
12 chapter 58.

13 (5) "Qualified voter" means any person whose name appears on an active account with the
14 Clear River electric and water district and who resides in the villages served by Clear River electric
15 and water district or owns property in the villages served by Clear River electric and water district.

16 (6) "Utility assets" means that real property, personal property, rights in any real and
17 personal property, facilities, equipment, contract rights, statutory rights and privileges, franchises
18 and other tangible or intangible property of any kind whatever used in, or useful to, the conduct of
19 the electric and water utility operations conducted prior to January 1, 2025, by the Pascoag utility
20 district and the Harrisville fire district, and on and after January 1, 2025, by the Clear River electric
21 and water district.

22 (7) "Utility bond obligations" means the obligations represented by and inherent in any
23 revenue or general obligation bond issued by the Pascoag utility district and Harrisville fire district
24 prior to January 1, 2025, for the purpose of financing any aspect of its electric or water utility
25 system or operations, which obligations remain outstanding in any part as of January 1, 2025.

26 (8) "Utility service area" means that geographic area located within the boundaries of the
27 Pascoag fire district, as defined above and the Harrisville fire district as defined above and the
28 geographic area located within the boundaries of any other fire district that may be served by the
29 Clear River electric and water district from time to time.

30 **45-39.2-3. Purpose.**

31 This chapter is intended to:

32 (a) Establish the Clear River electric and water district as the successor to the utility
33 functions fulfilled prior to January 1, 2025, by the Pascoag utility district and the Harrisville fire
34 district;

1 (b) Provide for the orderly separation and transfer of those utility functions and related
2 utility assets and utility bond obligations (without impairment thereof) from the Pascoag utility
3 district and the public water supply functions of the Harrisville fire district to the electric and water
4 district;

5 (c) Provide for the retention and fulfillment of the fire protection and emergency medical
6 and rescue functions and fire protection assets of the Harrisville fire district by the fire district; and

7 (d) Authorize and enable the electric and water district to provide such other utility
8 products and services as may be authorized, from time to time, by the electric and water district's
9 board of utility commissioners.

10 **45-39.2-4. Clear River electric and water district established.**

11 There is hereby created a quasi-municipal corporation, district and political subdivision of
12 the state, to be known as the Clear River electric and water district, the boundaries of which shall
13 be coterminous with the boundaries of the utility service area of the Pascoag Fire District, as
14 established under the act passed at the May session 1887, entitled "An Act to Incorporate the
15 Pascoag Fire District" as thereafter amended and supplemented from time to time and such other
16 areas as provided for by this chapter and the boundaries of the utility service area of the Harrisville
17 fire district as established in and by chapter 637 of the Public Laws of 1910, as thereafter amended
18 and supplemented from time to time, and such other areas as provided for by this chapter. The
19 electric and water district shall, upon January 1, 2025, have and succeed to the utility powers and
20 functions heretofore held and exercised by the Pascoag Fire District and the Harrisville fire district,
21 and shall further have and be entitled to exercise the additional powers, rights and functions set
22 forth in this chapter.

23 **45-39.2-5. Board of utility commissioners of the Clear River electric and water district**
24 **established.**

25 There is hereby created a board to be known as the board of utility commissioners of the
26 Clear River electric and water district. The powers of the electric and water district as set forth in
27 this chapter, or conferred on the electric and water district by operation of this chapter, shall be
28 vested in and exercised by a majority of the members of the board of utility commissioners then in
29 office; provided, however, that the board of utility commissioners in its discretion may delegate
30 executive functions to general managers, by resolution, rule or otherwise.

31 **45-39.2-6. Membership of board of commissioners.**

32 (a) The board of utility commissioners shall consist of not more than seven (7) nor less
33 than five (5) members. Four (4) members of the board shall constitute a quorum and a vote of four
34 (4) members shall be necessary for all action taken by the board unless the board consists of only

1 five (5) members, in which case three (3) members shall constitute a quorum and a vote of three
2 (3) members shall be necessary for all action taken by the board. No vacancy in the membership of
3 the board shall impair the right of a quorum to exercise all the rights and perform all the duties of
4 the board. The initial members of the board of utility commissioners shall be comprised of three
5 (3) members of the utility commissioners currently holding office under the auspices of the Pascoag
6 utility district, three (3) members of the operating committee of the Harrisville fire district (to be
7 selected by the Harrisville fire district operating committee), and one member to be elected by
8 qualified voters at a special election. The terms of such initial board members shall be three (3)
9 years for one member elected and the most senior member from the Pascoag utility district and the
10 Harrisville fire district, and a two (2) year term for the next most senior member of each, and one-
11 year term for the third most senior member of each, each of whom shall continue to serve until their
12 initial terms expire. Thereafter, the members of the board of utility commissioners of the Clear
13 River electric and water district shall be elected for a term of three (3) years by ballot of qualified
14 voters otherwise eligible to vote in the annual or special election in succeeding years.

15 (b) The members of the board of utility commissioners, moderator or clerk shall be
16 residents of the villages of Pascoag, Harrisville or Oakland. Such residents of the villages of
17 Pascoag, Harrisville and Oakland and whose name appears on an active account with the Clear
18 River electric and water district shall be eligible to be a candidate for election to any one of the
19 above offices; provided, however, that they shall first have filed a declaration of candidacy with
20 the secretary of the board of utility commissioners not later than thirty (30) calendar days prior to
21 the scheduled date of the election through which such person seeks to be elected. In the event of a
22 vacancy occurring on the board of utility commissioners, moderator or clerk by reason of death,
23 resignation or other cause, the board itself may select an eligible candidate to fill the vacancy until
24 the next annual election.

25 (c) The board of utility commissioners shall elect each year from among its members:

26 (1) A chairperson, who shall chair and moderate meetings of the board of utility
27 commissioners and shall execute such other authorities and duties as the board may provide;

28 (2) A vice chairperson who shall assume all duties of the chairperson in the chairperson's
29 absence; and

30 (3) A secretary, who shall maintain minutes of the meetings of the board of utility
31 commissioners, provide notice of the meetings in accordance with law, and shall have such other
32 duties as the board of utility commissioners may determine.

33 The board of utility commissioners shall appoint a treasurer, who may be a member of the
34 board or a general or special employee of the electric and water district, and who shall have charge

1 and control of the money and deposits of the electric and water district.

2 (d) The board of utility commissioners shall establish and adopt bylaws for the
3 management and conduct of the electric and water district's affairs, and other aspects of the
4 governance of the electric and water district not otherwise controlled by this chapter. Pending the
5 adoption of the bylaws, the board of utility commissioners shall be deemed to have adopted, and
6 shall conduct the board's business in accordance with, those portions of the bylaws of the Pascoag
7 utility district.

8 (e) In order to ensure that the status of the electric and water district as a quasi-municipal
9 corporation, district and political subdivision of the state does not prejudice its ability to contribute
10 to the development of effective competition in the electricity and communications industries in the
11 state, it is specifically found and determined that:

12 (1) Strategic business planning records of the electric and water district (including without
13 limitation business plans, draft contracts, proposals, financial analyses and other similar
14 documents) shall not be subject to the disclosure requirements of chapter 2 of title 38 unless the
15 same materials in comparable circumstances in the hands of an investor-owned utility would be
16 subject to disclosure under other laws of the state; and

17 (2) Strategic business planning discussions of the board of utility commissioners, including
18 such discussions with electric and water district employees or consultants, are deemed to fall within
19 the circumstances defined in § 42-46-5(a)(7).

20 **45-39.2-7. Compensation of the board -- Employees of the electric and water district.**

21 (a) Each member of the board of utility commissioners shall be entitled to receive
22 compensation of not less than twenty-five dollars (\$25.00) per year and not more than three
23 thousand dollars (\$3,000) per year for attendance at scheduled and special meetings of the board
24 of utility commissioners, and shall be entitled to reimbursement of the actual and necessary
25 expenses incurred in the performance of their official duties. The salaries, compensation and
26 expenses of all members and officers of the board, and all employees and agents of the electric and
27 water district, shall be paid solely out of funds of the electric and water district. No part of the
28 earnings of the electric and water district shall inure to the benefit of any private person.

29 (b) The board shall appoint general managers and may enter into employment contracts
30 with its executive employees. The board shall have the authority to approve employee benefit plans,
31 including fringe benefits such as, but not limited to, pension and health and disability and other
32 insurances.

33 (c) No member of the board of utility commissioners shall directly or indirectly engage or
34 participate in the proceeds of any contract or agreement to supply anything of value or receive

1 anything of value from the electric and water district. The prohibition set forth in this subsection
2 may be waived by a vote of five (5) members of the board of utility commissioners, if and only if
3 the board of utility commissioners shall have first obtained an opinion of the attorney general and/or
4 the Rhode Island ethics commission based on full disclosure of all relevant facts that the waiver
5 does not contravene state law and is otherwise in the best interests of the consumers served by the
6 electric and water district.

7 (d) The board of utility commissioners may elect to accept the provisions of chapter 21 of
8 title 45 ("Retirement of Municipal Employees") by resolution, the acceptance to be forwarded to
9 the state retirement board by the board of utility commissioners in the same manner as provided in
10 § 45-21-4.

11 **45-39.2-8. Powers of the electric and water district.**

12 (a) The electric and water district shall have the power:

13 (1) To acquire real or personal property and tangible or intangible personal property by
14 voluntary purchase from the owner or owners of the property, and to the extent that the board of
15 utility commissioners deems it advisable, to acquire property held by a corporation through
16 acquisition of the stock of the corporation and dissolution of the corporation;

17 (2) To acquire real property, fixtures, and rights and interests in real property within its
18 utility service area by eminent domain, subject to the supervision of the public utilities commission
19 in the manner prescribed in § 39-1-31, and the electric and water district may, within and without
20 the district and the town of Burrillville and also without the consent of the town, install, make,
21 construct, and maintain pipes, aqueducts, conduits, machinery, or other equipment or appliances,
22 or authorize the same to be done, and regulate the use thereof to the extent deemed necessary or
23 appropriate to carry out the purposes of the electric and water district. The power conferred upon
24 the electric and water district by this provision shall include the authority to carry any works to be
25 constructed over or enter upon and excavate under any highway, turnpike, railroad, street, or other
26 public way for the purpose of locating, laying, constructing, building, installing, operating,
27 maintaining, altering, repairing or replacing any pipes, appliances or other such apparatus, upon or
28 beneath the surface, in such a manner so as not to permanently obstruct free travel thereon. In
29 exercising the power granted under this provision, the electric and water district shall, except in
30 emergencies, provide advance notice to and otherwise cooperate and coordinate with the town to
31 ensure that any such installation or excavation shall be carried out with reasonable dispatch and
32 with as little interference with and inconvenience to the rights of the public as may be feasible. The
33 electric and water district shall restore any highway, turnpike, railroad, street, or other public way
34 as near as may be possible to its original condition of safety and utility after any such installation

1 or excavation;

2 (3) To own, operate, maintain, repair, improve, enlarge, and extend, in accordance with the
3 provisions of this chapter, any property acquired under this section all of which, together with the
4 acquisition of the property, are hereby declared to be public purposes;

5 (4) To produce, purchase, acquire, distribute, and sell water and electricity at wholesale or
6 retail within or without its utility service area subject to franchise rights of other utilities; to lay
7 down, construct, own, operate, maintain, repair, and improve mains, pipes, wells, towers, and other
8 equipment and facilities necessary, appropriate or useful for those purposes; and to contract with
9 others for any or all of the foregoing purposes;

10 (5) To produce, buy, sell, and trade electric capability, power, or energy products or
11 services at wholesale or retail; to purchase for its own use or for resale electric transmission service
12 and ancillary services; and to engage in any other transaction with respect to electricity or electricity
13 products that was heretofore authorized for the Pascoag utility district or investor-owned electric
14 companies operating as domestic electric utilities within the state (including participation in
15 generating facilities as authorized by chapter 20 of title 39); provided, that the electric and water
16 district electric operations shall operate and be subject to regulation of its retail rates for electricity
17 under title 39 when operating within its utility service area; and provided, further, that except to the
18 extent otherwise provided with respect to the exercise of its power of eminent domain under § 45-
19 39.2-8(2), the electric and water district water operations shall not be subject to regulation of its
20 retail rates or supervision or regulation by any department, division, district, board, bureau, or
21 agency of the state or any of its political subdivisions, including, without limitation, the public
22 utilities commission and the division of public utilities under title 39 when operating within its utility
23 service area.

24 (6) To acquire, own, lease, operate, maintain, repair, and expand facilities and equipment
25 necessary, appropriate, or useful to the operation of other utilities, including, but not limited to,
26 communications services such as Internet service, high-speed data transfer, local and long-distance
27 telephone service, community antenna television service, and to engage in the operation of such
28 utilities;

29 (7) To sue and be sued;

30 (8) To adopt and alter a corporate seal;

31 (9) To acquire, hold, use, lease, sell, transfer, assign, or otherwise dispose of any property,
32 real, personal, or mixed, or any interest therein, for its corporate purposes, and to mortgage, pledge,
33 or lease any such property;

34 (10) To make and adopt bylaws for the management and regulation of its affairs;

1 (11) To borrow money for any of the purposes or powers granted to it under or by operation
2 of this chapter, including the creation and maintenance of working capital, and to issue negotiable
3 bonds, notes, or other obligations, to fund or refund the same, and to secure the obligation of such
4 bond, notes, or other obligations in any case by pledge of, or security interest in, the revenues and
5 property of the electric and water district.

6 (12) To fix rates (subject to the requirements of title 39 in the case of retail electric rates
7 within its utility service area) and collect charges for the use of the facilities or services rendered
8 by or any commodities furnished by the electric and water district;

9 (13) To contract in its own name for any lawful purpose that would effectuate the purposes
10 and provisions of this chapter; to execute all instruments necessary to carry out the purposes of this
11 chapter; and to do all things necessary or convenient to carry into effect and operation the powers
12 granted by this chapter; and

13 (14) Until, and only until, such time as those utility bond obligations to which the Clear
14 River electric and water district succeeds under or by operation of this chapter shall have been
15 retired, defeased, or otherwise satisfied in their entirety, to levy property tax assessments upon
16 property owners within its utility service area for the purpose of supporting utility bond obligations
17 of the Pascoag utility district and those of the Harrisville fire district outstanding as of January 1,
18 2025, in the same manner and to the same extent as each of the Pascoag utility district and
19 Harrisville fire district was authorized to do so under chapter 58 of title 45 ("Pascoag utility
20 district"), as to Pascoag utility district, and chapter 637 of Public Laws of 1910 as to Harrisville
21 fire district, and each as thereafter amended and supplemented from time to time.

22 **45-39.2-8.1. Limitation of powers.**

23 All services provided by the electric department of the electric and water district that
24 constitute public utility services within the meaning of § 39-1-2 or community antennae television
25 systems (CATV) services within the meaning of § 39-19-1 shall be subject to the applicable
26 jurisdictions of the public utilities commission and the division of public utilities and carriers.

27 **45-39.2-9. Separation of utility assets and fire protection assets.**

28 Upon January 1, 2025, ownership of the utility assets previously titled to, or otherwise
29 owned or controlled by, the Pascoag utility district and the Harrisville fire district shall be
30 transferred to the electric and water district, subject to any security interest of record relating to
31 such utility assets, which security interests, if any, shall remain in full force and effect and be
32 unimpaired by the transfer of ownership of the utility assets. All fire protection assets that are the
33 property of Harrisville fire district on January 1, 2025, shall remain the property of the Harrisville
34 fire district. To the extent that individual assets presently titled to the Harrisville fire district cannot

1 be classified as either utility assets or fire protection assets, the electric and water district and the
2 fire district shall negotiate in good faith to transfer title to such assets to one entity or the other,
3 with or without cost but in all cases preserving any applicable contract rights of third parties. The
4 electric and water district and the fire district may agree to joint ownership or control of assets that
5 cannot reasonably be classified as either utility assets or fire protection assets. Notwithstanding
6 anything in this chapter to the contrary, the electric and water district shall take ownership and
7 provide for the care and maintenance of fire hydrants located within the Harrisville fire district;
8 provided, the Harrisville fire district shall be granted full access to such hydrants in the performance
9 of its fire suppression duties, for which the electric and water district may charge a reasonable usage
10 fee.

11 **45-39.2-10. Succession of electric and water district to certain obligations of Pascoag**
12 **utility district and of Harrisville fire district.**

13 (a) On January 1, 2025, the electric and water district shall:

14 (1) Succeed to and become subject to the utility bond obligations heretofore imposed by
15 any security interest or trust instrument upon the Harrisville fire district; and

16 (2) Succeed to the precise position of Pascoag utility district, without any waiver or
17 augmentation of that position whatsoever, as to each wholesale power purchase or power sales
18 agreement, and each transmission service agreement or interconnection agreement heretofore
19 entered into by the utility district, that position to include such rights, claims or defenses as Pascoag
20 utility district may have had prior to January 1, 2025, with respect to any obligation of any such
21 contract.

22 **45-39.2-11. Bonds.**

23 (a) The electric and water district shall have the power and is hereby authorized from time
24 to time to issue its negotiable bonds for any of its corporate or district purposes and to secure the
25 payment of the bonds in such manner and by such means as may be provided in the resolution or
26 resolutions of the electric and water district authorizing the bonds, subject to the regulatory
27 jurisdiction of the division of public utilities and carriers in the manner prescribed in § 39-3-15,
28 where applicable.

29 (b) The electric and water district is specifically authorized to secure bonds that it may
30 issue from time to time by a pledge of, or creation of other security interest in, the revenues of the
31 electric and water district, which pledge or security interest may be enforceable by the grant of a
32 conditional franchise, in the event of default in the payment of the bonds, entitling the secured party
33 or trustee to enter upon and take control of the electric and water district's facilities and service and
34 to provide utility service and receive the revenues from the electric and water district's facilities

1 and service for such period, not exceeding forty (40) years, as may be necessary to recover all
2 payments due on the bonds.

3 (c) The bonds of the electric and water district shall be authorized by resolution of the board
4 of utility commissioners. The bonds shall bear such date or dates, mature at such time or times not
5 exceeding forty (40) years from their issuance, bear interest at such rate or rates payable at such
6 time or times, be in such denominations and in such form, carry such registration privileges, be
7 executed in such manner, be payable in such medium of payment, at such place or places and such
8 time or times and be subject to redemption at such premium, if required, and on such terms, as the
9 resolution may provide. The bonds so authorized and issued pursuant to this chapter may be sold
10 at public or private sale for any price or prices that the electric and water district shall determine.

11 (d) Pending the issuance of bonds in definitive form, the electric and water district may
12 issue bond anticipation notes or interim receipts in such form as the board of utility commissioners
13 may elect.

14 (e) The electric and water district is hereby authorized to provide for the issuance of
15 refunding bonds of the electric and water district for the purpose of refunding any bonds then
16 outstanding which shall have been issued under the provisions of this chapter, including the
17 payment of any redemption premium on the bonds or interest accrued or to accrue to the earliest or
18 subsequent date of redemption, purchase or maturity of the bonds and, if deemed advisable by the
19 electric and water district, for the additional purpose of paying all or a part of the cost of acquiring,
20 constructing, reconstructing, rehabilitating, or improving any property, facilities or systems or parts
21 of property facilities or systems of the electric and water district. The proceeds of bond or notes
22 issued for the purpose of refunding outstanding bonds or notes may be applied, in the discretion of
23 the electric and water district, to the purchase, retirement at maturity or redemption of outstanding
24 bonds or notes either on their earliest or a subsequent redemption date and may, pending that
25 application, be placed in escrow in the same manner and through the same means as are generally
26 available to and incumbent upon political subdivisions of the state.

27 (f) It is hereby declared that the electric and water district and the carrying out of its
28 corporate, district and political subdivision purposes is in all respects for the benefit of the people
29 of the state and for the improvement of their health, welfare and prosperity, and the electric and
30 water district will be performing an essential governmental function in the exercise of the powers
31 conferred by this chapter. The state therefore covenants with the holders of the electric and water
32 district's bonds that the electric and water district shall not be required to pay taxes or payments in
33 lieu of taxes to the state or any other political subdivision of the state upon any property of the
34 electric and water district or under its jurisdiction, control or supervision, or upon any of the electric

1 and water district's activities in the operation or maintenance of the property or upon any earnings,
2 revenues, monies or other income derived by the electric and water district, and that the bonds of
3 the electric and water district and the income from the bonds shall at all times be exempt from
4 taxation by the state and its political subdivisions. Notwithstanding the foregoing, nothing in this
5 section shall be deemed to prohibit the division of public utilities and carriers, the public utilities
6 commission and the department of attorney general from assessing the utility in accordance with
7 the provisions of §§ 39-1-23, 39-1-26, 39-19-9, and 39-19-14.

8 (g) The state does hereby pledge to and agree with the holders of the bonds, notes or other
9 evidence of an indebtedness of the electric and water district that the state will not limit or alter the
10 rights vested in the electric and water district until the bonds, notes or other evidence of
11 indebtedness, together with the interest on the debt, are fully met and discharged.

12 (h) Any resolution or resolutions authorizing any bond, or any issue of bonds, may contain
13 provisions which shall be a part of the contract with the bondholders of the bonds thereby
14 authorized, as to:

15 (1) Pledging all or any part of the money, earnings, income, and revenues derived from all
16 or any part of the property of the electric and water district to secure the payment of any bonds or
17 of any issue of bonds subject to such agreements with bondholders as may then exist;

18 (2) The rates to be fixed and the charges to be collected and the amounts to be raised in
19 each year and the use and disposition of the earnings and other revenue;

20 (3) The setting aside of reserves and the creation of sinking funds and the regulation and
21 disposition thereof;

22 (4) Limitations on the right of the electric and water district to restrict and regulate the use
23 of the properties in connection with which the bonds are issued;

24 (5) Limitations on the purposes to which the proceeds of sale of any issue of bonds may be
25 put;

26 (6) Limitations on the issuance of additional bonds, including refunding bonds and the
27 terms upon which additional bonds may be issued and secured;

28 (7) The procedure, if any, by which the terms of any contract with bondholders may be
29 amended or abrogated, the percentage of bondholders whose consent shall be required for such
30 amendment or abrogation, and the manner in which consent may be given;

31 (8) The creation of special funds into which any earnings or revenues of the electric and
32 water district may be deposited, and the investment of the funds;

33 (9) The appointment of a fiscal agent and the determination of its powers and duties;

34 (10) Limitations on the power of the electric and water district to sell or otherwise dispose

1 of its properties:

2 (11) The preparation of annual budgets by the authority and the employment of consultants
3 and auditors;

4 (12) The rights and remedies of bondholders in the event of failure on the part of the electric
5 and water district to perform any covenant or agreement relating to a bond indenture;

6 (13) Covenanting that as long as any bonds are outstanding the electric and water district
7 shall use its best efforts to establish and maintain its rates and charges at levels adequate at all times
8 to pay and provide for all operating expenses of the electric and water district, all payments of
9 principal, redemption premium (if any), and interest on bonds, notes or other evidences of
10 indebtedness incurred or assumed by the electric and water district, all renewals, repairs and
11 replacements to the property and facilities of the electric and water district, and all other amounts
12 which the electric and water district may be required by law to pay; and

13 (14) Any other matters of like or different character which in any way affect the security
14 or protection of the bonds.

15 (i) The bonds of the electric and water district are hereby made securities in which all public
16 officers and bodies of this state and all municipalities and municipal subdivisions, all insurance
17 companies and associations and other persons carrying on an insurance business, all banks, bankers,
18 trust companies, savings banks, and savings associations (including savings and loan associations),
19 building and loan associations, investment companies and other persons carrying on a banking
20 business, all administrators, guardians, executors, trustees and other fiduciaries and all other
21 persons whomsoever, who are now or may thereafter be authorized to invest in bonds or other
22 obligation of the state may properly and legally invest funds including capital in their control or
23 belonging to them. The bonds are also hereby made securities which may be deposited with and
24 shall be received by all public officers and bodies of this state, and all municipalities and municipal
25 subdivisions, for any purpose for which the deposit of bonds or other obligations of this state is
26 now or may thereafter be required.

27 **45-39.2-12. Money of the electric and water district.**

28 (a) All money of the electric and water district, from whatever source derived, shall be paid
29 to the treasurer of the electric and water district. The money on receipt shall be deposited forthwith
30 in a separate bank account or accounts. The money in the accounts shall be paid out with a check
31 of the treasurer, on requisition by the electric and water district, or of any other person or persons
32 that the electric and water district may authorize to make the requisitions. All deposits of money
33 shall be secured by obligations of the United States or of the state, of a market value at all times
34 not less than the amount of deposits, and all banks and trust companies are authorized to give

1 security for the deposits. The electric and water district shall have the power, notwithstanding the
2 provisions of this section, to contract with the holders of any of its bonds as to the custody,
3 collection, security, investment and payment of any money of the authority, or any money held in
4 trust or otherwise for the payment of bonds or in any way to secure the bonds, and to carry out any
5 contract notwithstanding that the contract may be inconsistent with the previous provisions of this
6 section. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds
7 and deposits of money may be secured in the same manner as the money of the authority, and all
8 banks and trust companies are authorized to give security for the deposits.

9 (b) Notwithstanding subsection (a) of this section, or any other provision of this chapter,
10 the board of utility commissioners shall have the power to authorize by resolution a loan or advance
11 from one utility fund of the electric and water district to another. Any such interfund advance or
12 loan shall be for a term specified in the authorizing resolution of the board of utility commissioners
13 and shall bear interest at a rate reasonably determined by the board of utility commissioners to be
14 consistent with the public interest implicated in all funds involved in the interfund loan or advance;
15 provided, however, that an interest rate set at the rate applicable to the electric and water district's
16 most recent borrowing from a bank or other financial institution shall be presumptively reasonable
17 as the rate of interest for an interfund loan or advance.

18 **45-39.2-13. Alteration, amendment, repeal or severability.**

19 The right to alter, amend or repeal this chapter is reserved to the state, but no such
20 alteration, amendment or repeal shall operate to impair the obligation of any contract made by the
21 electric and water district under any power conferred by this chapter. If any section, clause,
22 provision or term of this chapter shall be declared unconstitutional, void, ultra vires or otherwise
23 ineffective in whole or in part, such determination of invalidity shall not otherwise affect the
24 validity or enforceability of any other provision of this chapter.

25 **45-39.2-14. Harrisville fire district.**

26 Nothing in this chapter shall be construed to effect in any way the continued existence and
27 operation of the Harrisville fire district's fire prevention and suppression functions, its emergency
28 medical, rescue, and ambulance services, its charter and/or bylaws governing the fire district.

29 **45-39.2-15. Tax exemption.**

30 It is hereby declared that the Clear River electric and water district, in the carrying out its
31 quasi-municipal purposes, is in all respects providing essential services to the people of the State
32 of Rhode Island that improves their health, safety and welfare. Accordingly, the electric and water
33 district shall not be required to pay taxes, assessments or sums in lieu of taxes to the State of Rhode
34 Island or any political subdivision thereof upon any of the property now owned or acquired in the

1 future by the electric and water district, or under its jurisdiction and/or control, possession or
2 supervision or upon its activities or operations, or upon any earnings, revenues, monies or other
3 income derived by the electric and water district. The bonds issued by the electric and water district
4 and any income therefrom shall at all times be exempt from taxation; provided, however, nothing
5 in this section shall have any effect upon the water resources board, or the division of public utilities
6 and carriers, and/or the public utilities commission's authority to impose regulation-related
7 assessments and charges on Clear River electric and water district.

8 SECTION 3. This act shall take effect on January 1, 2025, and all acts or parts of acts
9 inconsistent herewith are hereby repealed.

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LC005921
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO AMENDING THE CHARTER OF THE HARRISVILLE FIRE DISTRICT
AND ESTABLISHING THE CLEAR RIVER ELECTRIC AND WATER DISTRICT

1 This act would amend the Harrisville Fire District Charter allowing the district to provide
2 rescue services, fire suppression, medical and ambulance services, while removing water services
3 from those provided by the Harrisville Fire District. Water services would be provided by a separate
4 entity that is also established in the act, the Clear River Electric and Water District.

5 This act would take effect on January 1, 2025, and all acts or parts of acts inconsistent
6 herewith would be hereby repealed.

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